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March 29, 2013

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VIA FEDERAL EXPRESS

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Room 1034
Washington, DC 20024



Re: **Finance Docket No. 35730**
Ballard Terminal Railroad Company, L.L.C. – Lease
Exemption – Line of Eastside Community Rail, LLC

Dear Ms Brown

Enclosed for filing in the above-captioned proceeding are an original and ten copies of the **Verified Notice of Exemption of Ballard Terminal Railroad Company, L.L.C. Pursuant to 49 C.F.R. § 1150.41**, dated March 29, 2013. A check in the amount of \$1,800.00, representing the appropriate fee for this filing, and a compact disc containing the text of the Notice and the *Federal Register* caption summary in MS Word 2003 format are attached.

One extra copy of the Notice and this letter also are enclosed. I would request that you date-stamp those items to show receipt of this filing and return them to me in the provided envelope.

If you have any questions regarding this filing, please feel free to contact me. Thank you for your assistance on this matter.

Respectfully submitted.

Handwritten signature of Myles L. Tobin.

Myles L. Tobin
Attorney for Ballard Terminal
Railroad Company, L.L.C.

FILED

APR - 2 2013

**SURFACE
TRANSPORTATION BOARD**

MLT/ekf

Enclosures

FILE RECEIVED

APR - 2 2013

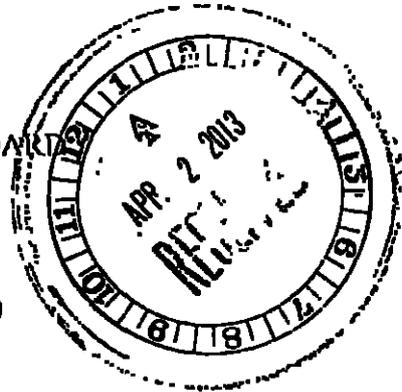
**SURFACE
TRANSPORTATION BOARD**

ENTERED
Office of Proceedings

APR 2 2013

Part of
Public Record

BEFORE THE
SURFACE TRANSPORTATION BOARD



FINANCE DOCKET NO 35730

BALLARD TERMINAL RAILROAD COMPANY, L.L.C
-- LEASE EXEMPTION --
LINE OF EASTSIDE COMMUNITY RAIL, L.L.C

VERIFIED NOTICE OF EXEMPTION
OF
BALLARD TERMINAL RAILROAD COMPANY, L.L.C.
PURSUANT TO 49 C.F.R. § 1150.41

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SURFACE
TRANSPORTATION BOARD

Myles L. Tobin
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

ATTORNEY FOR BALLARD TERMINAL
RAILROAD COMPANY, L.L.C.

Dated: March 29, 2013

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO 35730

BALLARD TERMINAL RAILROAD COMPANY, L.L.C.
-- LEASE EXEMPTION --
LINE OF EASTSIDE COMMUNITY RAIL, LLC

**VERIFIED NOTICE OF EXEMPTION
OF
BALLARD TERMINAL RAILROAD COMPANY, L.L.C.
PURSUANT TO 49 C.F.R. § 1150.41**

Pursuant to 49 C.F.R. § 1150.41, et seq., Ballard Terminal Railroad Company . L.L.C. ("Ballard"), a Class III rail carrier, hereby files this Verified Notice of Exemption to lease and operate a line of railroad of Eastside Community Rail, LLC ("ECRR") extending from Woodinville to Snohomish, Washington, a total distance of approximately 14.45 route miles in King and Snohomish Counties, Washington (the "Line") This Line was the subject of a previous Notice of Acquisition and Operation in Finance Docket No. 35692 in which ECRR acquired a permanent freight operating easement on the Line pursuant to an Asset Purchase Agreement with the Bankruptcy Trustee for the bankrupt GNP RLY. Inc. Based on projected revenues for the Line, Ballard expects to remain a Class III rail carrier after consummation of the transaction proposed herein.

In accordance with the requirements of 49 C.F.R. § 1150.43, Ballard submits the following information:

Name and Address of Applicant: 49 C.F.R. § 1150.43(a)

The full name and address of the rail carrier applicant herein is as follows:

Ballard Terminal Railroad Company, L.L.C.
4507 S.W. Oregon St.
Seattle, WA 98116

Applicant's Representative: 49 C.F.R. § 1150.43(b)

Ballard's representative to whom correspondence regarding this transaction should be sent is as follows:

Myles L. Tobin
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, IL 60606-2832
(312) 252-1500

Statement Concerning Agreement: 49 C.F.R. § 1150.43(c)

Ballard and ECRR expect to execute shortly an agreement providing for Ballard's lease of the Line.

Operation of the Property: 49 C.F.R. § 1150.43(d)

Ballard will operate and provide all rail common carrier service on the Line pursuant to the lease transaction proposed herein.

Summary of the Transaction: 49 C.F.R. § 1150.43(e)

Ballard is a Class III common carrier by rail which owns or leases and operates approximately 3 miles of rail line in the State of Washington. Additionally, Ballard owns the Meeker Southern Railroad which operates a 5 mile rail line also in the State of Washington.

Ballard also currently operates the Line at issue here under an agency relationship/interim operating agreement with ECRR.

Pursuant to the agreement to be entered into by Ballard and ECRR, Ballard will lease and operate ECRR's rail line between milepost 23.8 in Woodinville, Washington and

milepost 38.25 in Snohomish, Washington. The total distance of the Line is approximately 14.45 route miles.

The complete name and address of the carrier leasing the Line to Ballard is as follows.

Eastside Community Rail, LLC
1340 Lombard Street, #606
San Francisco, CA 94109

Ballard intends to consummate its lease of the Line and commence operations on the line on or shortly after May 2, 2013.

Map: 49 C.F.R. § 1150.43(f)

A map showing the Line and the surrounding area is attached as Exhibit A to this Notice.

Certificate of Compliance: 49 C.F.R. § 1150.43(g)

A Certificate of Compliance with the provisions of 49 C.F.R. § 1150.43(g) is attached as Exhibit B to this Notice.

Transactions Imposing Interchange Commitments: 49 C.F.R. § 1150.3(h)

Not applicable, as the Line does not connect with any railroad other than BNSF Railway Company, and no interchange commitments exist.

Advance Notice: 49 C.F.R. § 1150.42(e)

The projected annual operating revenue of Ballard upon consummation of this transaction does not exceed \$5 million, and, accordingly, the advance notice requirements of 49 C.F.R. § 1150.32(e) are not applicable to this transaction. See Exhibit B hereto.

Environmental and Historic Preservation Data: 49 C.F.R. § 1105

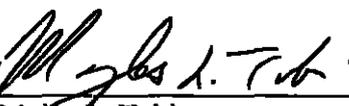
Under 49 C.F.R. § 1105.6(c)(2), Ballard's proposed lease and operation of the Line is exempt from environmental reporting requirements. The proposed transaction will not result in significant changes in carrier operations, *i.e.*, changes that exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5)

Under 49 C.F.R. § 1105.8(b)(1), Ballard's lease and operation of the Line also is exempt from historic preservation reporting requirements. The proposed lease is for the purpose of continued rail operations. Further Surface Transportation Board approval is required to abandon or discontinue any service and there are no plans to dispose of or alter properties subject to Board jurisdiction that are fifty years old or older.

Caption Summary: 49 C.F.R. § 1150.44

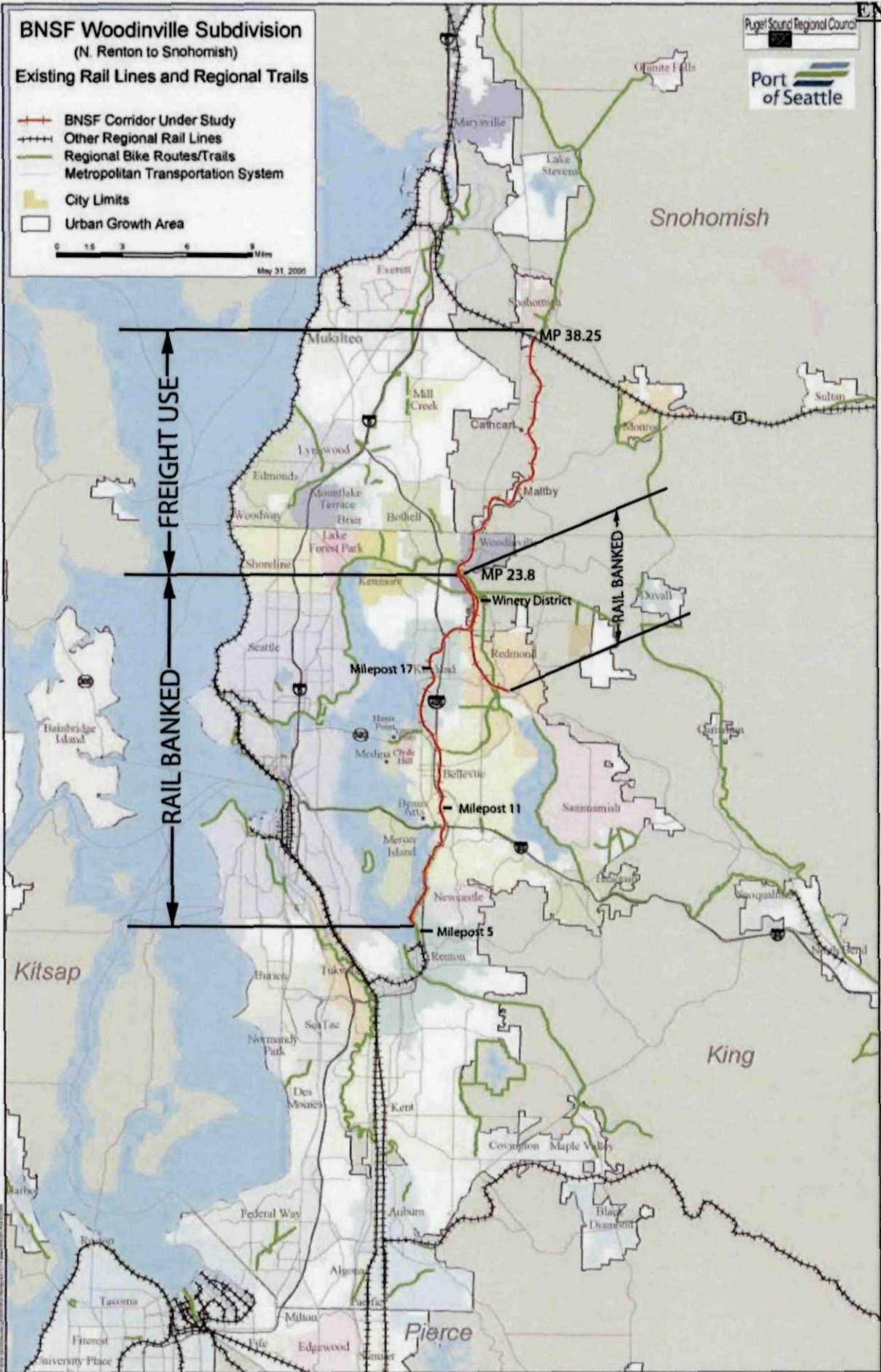
A caption summary in appropriate form is attached as Exhibit C to this Notice

Respectfully submitted,

By: 
Myles L. Tobin
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

**ATTORNEY FOR BALLARD TERMINAL
RAILROAD COMPANY, L.L.C.**

Dated: March 29, 2013



CERTIFICATION

Byron Cole, under penalty of perjury, hereby certifies that the projected annual rail revenue of Ballard Terminal Railroad Company, L L C as a result of the transaction proposed herein does not exceed \$5 million and will not result in the creation of a Class II or Class I carrier under the provisions of 49 C.F.R. § 1201 (1-1)

Byron D Cole

Byron Cole
General Manager

Dated: March 29, 2013

EXHIBIT C
CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

FINANCE DOCKET NO. 35730

BALLARD TERMINAL RAILROAD COMPANY, L.L.C.
-- LEASE EXEMPTION --
LINE OF EASTSIDE COMMUNITY RAIL, L.L.C

Ballard Terminal Railroad Company, L.L.C. ("Ballard"), a Class III rail carrier, has filed a Verified Notice of Exemption to lease from Eastside Community Rail, LLC ("ECRR") and operate ECRR's rail line between milepost 23.8 at Woodinville, Washington and milepost 38.25 at Snohomish, Washington, a total distance of approximately 14.45 route miles (the "Line").

Ballard expects to consummate its lease of the Line on or shortly after May 2, 2013.

Comments must be filed with the Board and served on

Myles L. Tobin
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

This Notice is filed under 49 C.F.R. § 1150.41. If the Notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

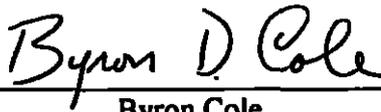
Dated: April __, 2013

By the Board

Cynthia T. Brown
Chief, Section of Administration

VERIFICATION

Byron Cole, under penalty of perjury, deposes and says that he is General Manager of Ballard Terminal Railroad Company, L.L.C., that he has read the foregoing Notice of Exemption and knows the facts asserted therein, and that the same are true as stated.



Byron Cole

Dated March 29, 2013